

Message Text

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TAGS: PGOV, PINT, UK
SUBJECT: LIBERAL ASSEMBLY ENABLES LIB-LAB PACT TO
CONTINUE UNTIL SUMMER

REF: LONDON 1038
SUMMARY. DAVID STEEL WON THE DAY AT THE LIBERAL PARTY
SPECIAL ASSEMBLY JANUARY 21 WHEN DELEGATES VOTED BY A
THREE-TO-ONE MARGIN TO LEAVE IT TO THEIR PARTY LEADER TO
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CHOOSE THE TIME FOR ENDING THE PARLIAMENTARY LIBERAL
PARTY'S AGREEMENT WITH THE LABOR GOVERNMENT. ALTHOUGH
ALL SIGNS POINT STRONGLY TO SUMMER 1978 AS THE PROBABLE
TERMINATION DATE, STEEL HAS RETAINED ROOM FOR MANEUVER
IN THE IMPOSSIBLE-TO-ENVISAGE EVENT THAT CIRCUMSTANCES
SUGGEST EXTENDING THE PACT INTO THE 1978-79
PARLIAMENTARY SESSION. THE ASSEMBLY ALSO DECIDED THAT

BRITISH LIBERALS WOULD VIGOROUSLY CONTEST THE EUROPEAN ASSEMBLY DIRECT ELECTIONS DESPITE THEIR DISTRESS AT THE "UNFAIR" ELECTORAL SYSTEM UNDER WHICH THOSE ELECTIONS ARE TO BE CONDUCTED. END SUMMARY.

1. THE LIBERAL PARTY SPECIAL ASSEMBLY AT BLACKPOOL JANUARY 21 PRODUCED THE ANTICIPATED RESULTS AND PARTY LEADER DAVID STEEL LEFT WITH A STRENGTHENED HAND A CONFERENCE HE HAD BEEN DISTRESSED TO SEE CONVENED. DELEGATES VOTED BY JUST MORE THAN THREE-TO-ONE (1727 TO 520) TO GIVE STEEL THE LATITUDE, IN CONSULTATION WITH HIS PARLIAMENTARY COLLEAGUES AND SENIOR PARTY OFFICIALS, TO DECIDE WHEN TO END THE PARTY'S ACCORD WITH THE GOVERNMENT RATHER THAN TO MANDATE HIM TO TERMINATE IT IMMEDIATELY. THIS MARGIN PROVED SOMEWHAT LARGER THAN ANTICIPATED (REFTEL) AS SUPPORT CLEARLY BUILT UP DURING THE DEBATE FOR THE PRO-STEEL POSITION.

2. STEEL IN PARTICULAR AND HIS SIDE IN GENERAL PRESENTED THEIR CASE MUCH MORE EFFECTIVELY THAN DID PROPONENTS OF IMMEDIATE TERMINATION. THE LATTER REPEATEDLY STRESSED THAT THE LIBERAL PARTY (A) NEEDED A LENGTHY PERIOD TO RE-ESTABLISH ITS INDEPENDENT IMAGE AND (B) WOULD LOSE CREDIBILITY IF IT REMAINED IN THE PACT ANY LONGER SINCE THE BRITISH PUBLIC PERCEIVED PROPORTIONAL REPRESENTATION AS A CRUCIAL ISSUE FOR THE LIMITED OFFICIAL USE

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LIBERALS. THE PREMISE BEHIND THIS POINT WAS THAT CALLAGHAN HAD FAILED TO KEEP A PROMISE TO DELIVER SOME REQUISITE MAJORITY OF LABOR VOTES FOR PR AS THE VOTING SYSTEM IN THE EUROPEAN ASSEMBLY DIRECT ELECTIONS. STEEL AND COMPANY REBUTTED THAT THE CRITICS HAD CONJURED UP A NON-EXISTENT PROMISE; CALLAGHAN HAD LIVED UP TO HIS WORD AND INDEED THE AMOUNT OF SUPPORT PRODUCED FOR PR WAS THE MOST SUBSTANTIAL COMMONS VOTE FOR ELECTORAL REFORM SINCE THE 1930'S. LIBERALS WOULD LOSE CREDIBILITY AS A RELIABLE FUTURE PARTNER IN GOVERNMENT IF THEY BOLTED OUT OF THE PACT NOW O THIS SALSE ISSUE WHICH STIRRED THE GENERAL PUBLIC VERY LITTLE IN ANY CASE. THERE WAS EVERY REASON TO EXPECT MEASURES IN THE UPCOMING FINANCE BILL FOR WHICH LIBERALS DESERVED AND SHOULD TAKE THEIR SHARE OF CREDIT. THE PUBLIC'S APPROVA OF THE PACT AS HAVING BEEN GOOD FOR THE COUNTRY WOULD REDOUND EVENTUALLY TO THE LIBERALS' ADVANTAGE. ENDING THE PACT THIS SUMMER AFTER THE FINANCE BILL WAS ENACTED WOULD BE TIME ENOUGH TO REASSERT THEIR TOTAL INDEPENDENCE AND PARTY PURITY BEFORE THE NEXT GENERAL ELECTION. FINALLY, A MOST TELLING ARGUMENT WAS THAT THE PARTY LEADER MUST BE LEFT FREE TO DECIDE, IN CON-

SULTATION WITH HIS COLLEAGUES, JUST WHEN TO BREAK.

3. IN HIS VERY EFFECTIVE SUMMING UP FOR HIS SIDE, STEEL
MADE CLEAR THAT HE ENVISAGED THE PACT WOULD GO ON "AT
LEAST UNTIL JULY" UNLESS THE COMPLETELY UNEXPECTED

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SHOULD HAPPEN, E.G., THE GOVERNMENT ALLOWING INFLATION
TO GET OUT OF CONTROL OR FAILING TO INCLUDE EXPECTED
MEASURES IN THE FINANCE BILL. HE POINTED OUT THAT IT
ENDS ABOUT THEN ANYWAY. THE QUESTION THEREFORE WAS
WHETHER THE LIBERALS WOULD RENEW IT FOR THE 1978-79
SESSION. HE JUDGED THIS "EXTREMELY DOUBTFUL," AND SAID
IT WOULD TAKE SUBSTANTIAL AGREEMENT ON MORE-PERMANENT
SOLUTIONS TO BASIC ECONOMIC ISSUES, E.G., WAGE POLICY,
TAX REFORM, INDUSTRIAL RECOVERY -- AGREEMENT THAT DID

NOT EXIST AT PRESENT. BUT HE CAREFULLY LEFT THE DOOR
SLIGHTLY AJAR, AND THUS PROTECTED HIMSELF FROM LATER
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CHARGES OF HAVING DECEIVED THE PARTY SHOULD THE PACT
BE RENEWED.

4. THROUGHOUT THE DEBATE, THERE WAS STRONG CRITICISM
OF MARGARET THATCHER AND HER TORIES AS THE REAL
FRUSTRATORS OF PR AND TRAITORS TO THE EUROPEAN IDEAL.
SUBSTANTIAL, IF LESSER, BARBS WERE ALSO DIRECTED AT
LABOR'S LEFT-WING AS THE TORIES' ALLIES ON A RANGE OF
ISSUES.

5. AS ANTICIPATED, THE ASSEMBLY OVERWHELMINGLY ADOPTED
A RESOLUTION WHICH CALLED ON THE GOVERNMENT TO INTRO-
DUCE AND SUPPORT AN AMENDMENT IN THE HOUSE OF LORDS TO
PUT A PR VOTING SYSTEM INTO THE DIRECT ELECTIONS BILL
AND DECLARED THAT EVEN IF ELECTIONS ARE HELD ON THE
FIRST-PAST-THE-POST SYSTEM: (A) LIBERALS SHOULD CONTEST
THE ELECTIONS; (B) THE LIBERAL PARTY SHOULD DEMAND A
NATIONAL REFERENDUM ON THE ISSUE OF PR (THIS PRESUMABLY
FOR WESTMINSTER ELECTIONS); AND (C) THE PARTY SHOULD
CALL ON EUROPEAN LIBERAL PARTIES TO MAKE PR A MAJOR
PLANK IN THEIR PROGRAM ESPECIALLY FOR THE SECOND DIRECT
ELECTIONS. THE RESOLUTION ALSO CALLED ON LIBERAL
CANDIDATES WHO WOULD HAVE BEEN ELECTED UNDER A "FAIR
VOTING SYSTEM" TO TAKE THEIR PLACES ANYWAY IN THE
EUROPEAN ASSEMBLY AND TO CHALLENGE THE UNREPRESENTATIVE
BRITISH DELEGATION'S CREDENTIALS.

6. LITTLE TIME WAS LEFT AT DAY'S END FOR THE AGENDA
ITEM ON STRATEGY FOR THE NEXT GENERAL ELECTIONS AND
NOTHING ESPECIALLY MEANINGFUL WAS SAID. THROUGHOUT THE
MAJOR DEBATE ON THE PACT ITSELF, HOWEVER, THERE WAS
ARTICULATION OF DAVID STEEL'S STRATEGY OF SEEKING FOR
THE LIBERAL PARTY THE BALANCE OF POWER BETWEEN THE TWO
MAJOR PARTIES AND THEREBY ENDING THE ALTERNATING CYCLE
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OF GOVERNMENT CONTROL BY EXTREMISTS OF LEFT AND RIGHT.

7. COMMENT: DAVID STEEL AND MOST OF HIS LIBERAL PARTY
COLLEAGUES HAVE EVERY REASON TO BE HAPPY WITH THE
OUTCOME OF THIS SPECIAL ASSEMBLY. IT CLEARED THE AIR
WITH AN EXTENSIVE DEBATE ON THE CENTRAL ISSUE OF INTRA-
PARTY CONTROVERSY -- WHEN AND HOW TO END THE LIB-LAB

PACT. THE LOSERS CANNOT LEGITIMATELY COMPLAIN THAT THE WERE DENIED AMPLE OPPORTUNITY TO PRESENT THEIR CASE DURING THIS THREE-HOUR PASSIONATELY ARGUED DEBATE. STEEL BOTH WON THE ARGUMENT ON ITS MERITS AND WITNESSED A DEMONSTRATION THAT HE CONTINUED TO HOLD THE LOYALTY, RESPECT, AND AFFECTION OF THE VAST MAJORITY OF HIS PARTY ACTIVISTS. WITH OVER 2300 DELEGATES IN ATTENDANCE -- THE BIGGEST LIBERAL ASSEMBLY WITHIN MEMORY -- IT WAS A THOROUGHLY REPRESENTATIVE PARTY GATHERING.

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8. STEEL ENJOYED THE SOLID AND EVIDENT SUPPORT OF THE ENTIRE PARLIAMENTARY LIBERAL PARTY (THE ONLY ABSENTEE, JO GRIMOND, HAD PRE-SIGNALLED HIS SUPPORT), EXCEPT CYRIL SMITH WHO LED THE FIGHT FOR ENDING THE PACT IM-

MEDIATELY. WHEN THAT FIGHT WAS LOST, SMITH CAME FORWARD WITH A STATESMANLIKE AND MUCH-APPRECIATED APPEAL FOR CLOSING RANKS AND MAINTAINING UNITY. THE LIBERALS SHOULD BE ABLE TO CONCENTRATE HENCEFORTH ON SELLING WHAT THEY CLAIM TO HAVE ACCOMPLISHED INSTEAD OF LOOKING LIKE A CROWD OF WELL-MEANING AMATEURS SQUABBLING AMONG THEMSELVES. IRONICALLY, IT WAS NOT THE "AMATEURS" -- LIMITED OFFICIAL USE

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THE OBJECTORS TO ANY COMPROMISE OF LIBERAL PRINCIPLES AND THEREFORE TO ANY FORM OF CONSISTENT COOPERATION WITH OTHER PARTIES -- WHO FORMED THE CORE OF THE END-THE-PACT-NOW CAMP. RATHER, IT WAS THE LOCAL POLS WHO FEAR THAT TACTICS AND TIMING WHICH MAY SUIT THE NEEDS OF THE PARTY IN WESTMINSTER WON'T GIVE THEM ENOUGH TIME TO AVERT THE DISASTER THEY ARE CONVINCED THREATENS THEM IN THE MAY LOCAL ELECTIONS.

9. THOUGH STEEL HAS LEFT THE DOOR OPEN TO RENEW THE PACT INTO THE 1978-79 SESSION, NEITHER HE NOR HIS SUPPORTERS CONSIDER THIS ANYTHING BUT A REMOTE POSSIBILITY ASIDE FROM THE SUBSTANCE OF WHAT CALLAGHAN MIGHT OFFER THE LIBERALS -- WHO SEEM TO NEED MORE THAN HE WOULD WANT OR BE ABLE TO GIVE -- THE PROBLEM OF TIMING APPEARS TO RULE OUT THE POSSIBILITY OF RENEWING THE PACT. THE NEED FOR THE PRIME MINISTER NOT TO TIE HIS HANDS ON THE TIMING OF THE ELECTIONS WOULD PRECLUDE HIM BEING ABLE TO PROMISE ANY POSITIVE SPECIFIC LEGISLATIVE ACHIEVEMENT. DISSOLVING PARLIAMENT FOR ELECTIONS IN FALL 1978 OR SPRING 1979 MIGHT NOT LEAVE ENOUGH TIME TO ENACT AGREED LEGISLATION. AND CALLAGHAN CLEARLY WOULD NOT BIND HIMSELF TO WAIT VIRTUALLY TO TERM'S END. CONCLUSION: COME THIS SUMMER, THE LIBERALS' PACT WITH THE GOVERNMENT WILL PROBABLY EXPIRE, HAVING LIVED OUT ITS NATURAL LIFE OF USEFULNESS TO THE COUNTRY AND THE GOVERNMENT, AND PERHAPS EVEN TO THE LIBERALS.

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